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Sales Planning & Control

For Internal Circulation and Academic
Purpose Only

Programme Educational Objectives

- *Our program will create graduates who:*
 - *1. Will be recognized as a creative and an enterprising team leader.*
 - *2. Will be a flexible, adaptable and an ethical individual.*
 - *3. Will have a holistic approach to problem solving in the dynamic business environment.*

Sales and Distribution Management Course Outcomes

- CO1- Given a situation of Festival, student manager will be able to identify appropriate Sales Forecasting method to be adopted by a company.
- CO2- Given a situation of opening a new outlet, student manager will be able to draft a sales plan.
- CO3- Given a situation of Selling products / services, student manager should be able to explain Personal Selling Process.

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- CO4-Given a criteria of newly launched company, student manager should be able to design an effective Sales Compensation Plan for Sales Executive.
 - CO5-Given a criteria of distribution channel of a company, student manager should be able to outline different levels of Marketing channel used by the company.
 - CO6-Given a situation, student manager should be able to explain the process of Reverse Logistics.

Sales Planning

- A **sales plan** is a strategy that sets out **sales** targets and tactics for your business, and identifies the steps you will take to meet your targets.
- A **sales plan** will help you: define a set of **sales** targets for your business. choose **sales** strategies that are suited to your target market.

Sales Planning

- A plan containing an **assessment of current sales** for a product in a given region or market, a statement of sales objectives, strategies for achieving the stated sales objectives, and resources available for achieving this goal.
- A sales plan may also **assign particular sales representatives or other staff to particular roles or territories**, and may include a breakdown of who will focus improving sales for which product.

Creating a Sales Plan

A sales plan will help you:

- Define a set of **sales targets** for your business.
- Choose **sales strategies** that are suited to your target market.
- Identify **sales tactics** for your sales team.
- Activate, **motivate** and focus your **sales team**.
- **Budget** and clarify steps you'll take to achieve your targets.
- **Review your goals** periodically and improve your approaches to sales.

Sales Planning

- According to Stanton, “Without sales planning, a company’s sales performance have no objective and have no directions, there can be no orderly procedure in management’s pursuit of its goals.”

Objectives of Sales Planning

- **Determination of sales objectives:** Sales planning gives clear, defined objective to the sales department. These objectives work as basis for defining various policies, procedures, programmes, etc.
- **Dealing with uncertainties:** It enables the organisation to face uncertainties by incorporating possible changes in the marketing environment in the plan.
- **Reducing wastage:** It helps the firm to utilize the resources optimally and minimize wastage which ultimately reduces cost.
- **Coordination:** It develops the coordination between different departments like production, purchase, finance, etc.
- **Better control:** A sound planning process needs a continuous monitoring device which will help the management to control its operations timely.

Objectives of Sales Planning

- **Management by exception:** It helps to segregate the important and routine work.
- **Customer satisfaction:** While making sales plan, the sales manager studies the consumer behavior. On this basis, the sales manager plans different selling activities for achieving customer satisfaction.
- **SWOT:** A sales plan helps identify the company's strengths, weaknesses, opportunities and threats and selling strategies are designed accordingly.
- **Sales force:** Sales planning set a platform for the sales force who actually has to perform the selling function. It makes their work simple, and easy. They know their targets, policies, strategies to follow, etc. Thus, a plan prepares them mentally for their future work.

Sales planning process

- The objective of an air conditioning company might be to increase the market share of the company.

Sales Planning Process



Sales Planning Process

Analyze the Organization's situation: Planning process starts with the analysis of the situation where the organization exists. It includes the analysis of following aspects:

- **Market:** Potential customers, their profile, attitude, taste, buying patterns.
- **Competitors:** Number of competitors, Their strength and weakness, their advertisement policies, products, their features, market share.
- **Data:** Organization's own data according to the product, market, territory and time.
- **Promotion:** Advertisement budget, strategy, promotional mix, personal selling, sales promotion tactics.
- **Distribution:** Storage facility, transportation, channels of distribution.

Sales Planning Process

- **Setting objectives:** It specifies what is to be done. It highlights the key areas to be emphasized. It spells out targets to be achieved. It provides direction to the sales force.
- **Determining market potential:** The sales manager studies the consumer behaviour, buyer motives to identify any untapped potential in the market.
- **Sales forecasting:** It is a procedure for **calculating the quantity of product** which can be sold into the market with the proper implementation of marketing program.

Sales Planning Process

- **Strategic planning:** It is a process of setting the organization's broad objective, allocating total resources in an efficient manner and outlining wide course of action for achieving the sales target.
- **Prepare detailed plan:** to prepare a detailed plans or sub plans, activities which focus on the overall objective of the organization. Sales manager must identify that the sub plans should be compatible with the market environment and the company strategy.

Sales Planning Process

- **Allocation of resources:** The resources like finance, material, man power, etc. should be allocated timely to the sales force once detailed plan have been developed.
- **Implementation:** Proper implementation of plan is necessary for achieving success. Goals, objectives and strategies should be effectively communicated to the sales force for proper implementation.
- **Sales Control:** A sound planning process needs a continuous monitoring device which will help the management to control its operations duly on time. Regular check process should be implemented to find out any deviations so that remedial actions can be taken.

Sales Control

- **Sales control** is one of the functions of **sales** management which ensures the **sales** achievement and profit objectives of the company by coordinating effectively and efficiently the different **sales** functions.
- Management policies and practices aimed at ensuring that all sales are recorded, made at correct prices, and fulfilled to customers' satisfaction.

Goals of Sales control

- Optimize number of sales
- Maximize profit
- Control revenue



Sales Audit

- It is the comprehensive, systematic, periodic, analysis, evaluation and interpretation of business environment, objectives, strategies, principles to determine the areas of problem or opportunities and recommending the plan of action to improve the **sales** performance.
- Sales audit is the **systematic and unbiased review of the basic objective and policy of the selling function** of an organization. It helps in improving the effectiveness of the sales arm of the organization.

Sales Audit

Audits normally examine six aspects such as:

- Objective of the company
- Internal policies
- Structure of the organization
- Sales methods
- Procedures
- Sales personnel

Sales Analysis

- Sales analysis is the **study of sales volume operations to find the sales and profit trend**. It helps in achieving better sales performance. It also provides insights on the sales territories, type of customers and products.
- Sales analysis examines sales reports to see what goods and services have and have not sold well. The analysis is used to determine how to stock inventory, how to measure the effectiveness of a sales force, how to set manufacturing capacity and to see how the company is performing against its goals.

Sales Analysis

- **Period Comparisons** (Usually a sales analysis will compare one time period to a comparable period in the past.)
- **Break-Even Analysis** (what minimum level of sales is needed to make sure it does not lose money. It also shows how sensitive the break-even point is to changes in both fixed and variable expenses.)
- **Competitor Sales Analysis** (In some industries, sales made by your competitors are listed in public sources. For example, automobile sales are reported monthly by major manufacturer, major brand and model.)

Goal Setting

- **Goal setting** is the process of deciding what you want to accomplish and devising a plan to achieve the result you desire.
- Business goals are typically set on an annual basis and should be aligned with your long term goals.
- For example, if your five-year plan is to increase sales by 100% then at the beginning of each year you might set a goal to increase your sales by 20% for the current year. Your goals should be worked into your business plan and (in this case) your sales forecasts.

Strategies for Goal Setting Success - SMART

- **Specific** - I want to increase my business revenue by 30% this year.
- **Measurable** - "Increasing sales" or "reducing debt" are measurable goals, "working harder" or "increasing my personal satisfaction" are vague and difficult to measure.
- **Attainable** - A goal should be challenging but attainable.
- **Relevant** - Goals should be aligned with your long term plans. If your long term plan is for your business to attain \$200,000 a year in sales your short-term goals should directly relate to achieving this.
- **Time-Bound** - Without a specific time frame for your goals they can't be properly measured. A goal should contain a time limit (e.g. "by the end of the year I want to increase sales by 20%").

Performance Measurement

- **Performance measurement** is the process of collecting, analyzing and/or reporting information regarding the **performance** of an individual, group, organization, system or component.
- A quantifiable indicator used to assess how well an organization or business is achieving its desired objectives.
- Many business managers routinely review various performance measure types to assess such things as results, production, demand and operating efficiency in order to get a more objective sense of how their business is operating and whether improvement is required.